

Hospital Unit

This unit's primary function is to develop the reimbursement methodology, incorporated in the State Plan, for paying hospitals under the Medicaid Program and to establish rates of reimbursement for individual hospitals in accordance with the State Plan for those hospitals participating in the Medicaid Program. The hospital portion of the Medicaid Program is equal to 20 percent of all Medicaid expenditures. The unit reviews and analyzes cost reports, budgets, and other financial documents in computing the rates. Limited scope desk audits are carried out in individuals cases to verify compliance with Title 18 upper limits and other Federal/State regulations. In addition, the unit provides staffing to various standing and ad hoc committees involved in hospital rate-setting, and technical assistance to the Policy Section. The unit also administers the Blue Cross/Blue Shield United contract to audit hospitals. The unit leads in the development and implementation of hospital reimbursement analysis including evaluation of alternative payment systems, such as DRGs and payment policy involving special patient populations.

Operations Section

This section is responsible for ongoing monitoring and contract compliance of the fiscal agent and Medicaid Management Information System. It manages the Medicaid Program's coordination of benefits activities and the estate recovery program. It also manages the program's policy communication to providers, recipients and other government agencies. This section also oversees the preparation of all financial and management reports required by the Federal government.

Systems and Monitoring Unit

This unit's major function is to monitor the fiscal agent contract compliance. Other functions and responsibilities include preparation of fiscal agent Request for Proposal, preparation of federal reports, coordination of System Performance Review (SPR), program policy implementation, Medical Assistance claims processing quality control, monitoring of MMIS (Medicaid Management Information System), liaison with Division of Economic Support on recipient eligibility and preparation of budget projections for Medical Assistance benefits payments.

Coordination of Benefits Unit

This unit's major function is maximizing cost avoidance of available Medicare and health insurance. Other functions include post payment recovery of health insurance, recovery of casualty insurance benefits, coordination of medical support liability (absent parent insurance), the coordination of Medicare Part A and B premium purchase, and the operation of the estate recovery program.

Policy Communication Unit

This unit's major function is to provide a communications link for the Bureau with the fiscal agent, the provider community, the recipient consumers, other governmental agencies and the general public. Specifically, the unit responds to written and/or verbal contacts from outside entities regarding policy questions on specific problem issues; provides coordination with the fiscal agent on such items as provider certification, provider workshops, handbooks, provider letters and other informational mailings; and coordinates the preparation and review of provider bulletins or memos prepared by either BHCF or the fiscal agent.

Medicaid Audit Section

This section is staffed by professional medical personnel who assist in policy development and implementation; perform prior authorization and pre and post payment review; and assist in the conduct of provider audits.

Medical Audit Unit

This unit's primary function is providing medical consultation to Bureau staff and providers on policy matters and claims processing problems. The consultants also review prior authorization requests for exceptional products and services and provider prior authorization guidelines and training working with the fiscal agent. The consultants participate in utilization review activities and field evaluations of exceptional medical services.

In addition, this unit coordinates the concurrent review activities with Bureau consultants and the Office of Administrative Hearings, coordinates and monitors the primary provider program for recipients who misuse the program, and manages the peer review and Surveillance Utilization Review (SUR), Claims Processing Assessment System (CPAS) and Drug Utilization Review (DUR) subcontracts.

Provider Audit Unit

This unit's primary function is to audit providers for compliance with the Wisconsin Medical Assistance Program administrative rules, as a result of the audits, recover identified overpayments, educate providers about Medical Assistance requirements, and assist the Bureau in policy development and clarification. In addition, federal regulations require state agencies to detect, investigate, and to take appropriate action on incidents of fraud or abuse that occur in the Medicaid Program. The Surveillance Utilization Review and Audit Unit performs some of these required investigative and enforcement functions.

This unit also investigates complaints received by the Bureau from recipients, providers, other governmental and non-governmental persons about care provided to Medical Assistance recipients. Questions of fraud are referred to the Medicaid Fraud Control Unit within the Department of Justice and recipient eligibility fraud is referred to the county district attorney's office via the Bureau of Welfare Initiatives in the Division of Economic Support.

Nursing Home Reimbursement Section

This section's primary function is to set rates for and manage reimbursement to nursing homes participating in the Medicaid Program. Nursing home reimbursement is the single largest item in the state Medicaid budget. The Nursing Home Section also administers a monthly assessment on occupied beds in all nursing homes and intermediary care facilities.

Nursing Home Audit Unit

The Nursing Home Audit Unit conducts comprehensive desk audits and selective scope field audits of facilities. The unit also serves as liaison to contractors involved in nursing home audits and appraisals.

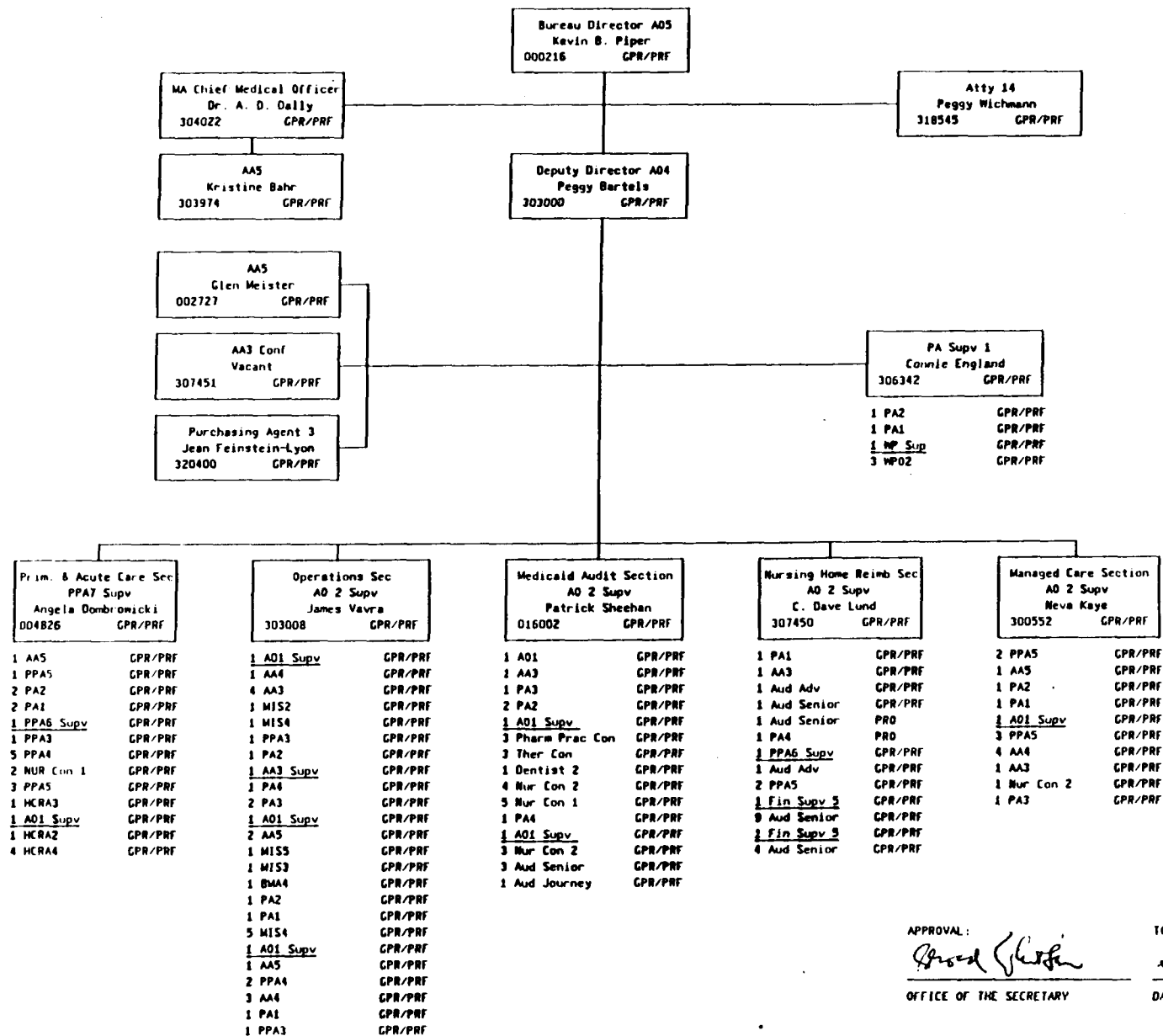
Nursing Home Analysis Unit

This unit coordinates the Bureau's activities in the areas of automated rate-setting, reimbursement formula development, and data base development. This unit serves as liaison to contractors involved in nursing home policy and reimbursement formula development issues.

In addition to its technical responsibilities, this unit provides consultation and advice regarding reimbursement policies and procedures to Bureau policy personnel, and independently develops major reimbursement policy and procedures.

Another responsibility of this unit is to provide staff resources for carrying out studies of various Medicaid reimbursement issues mandated by the Legislature and independent requests of the Governor, individual Legislators or Department management.

DIVISION OF HEALTH
BUREAU OF HEALTH CARE FINANCING



APPROVAL:

Good

OFFICE OF THE SECRETARY

TOTAL POSITIONS: 153

JAN 1 1994

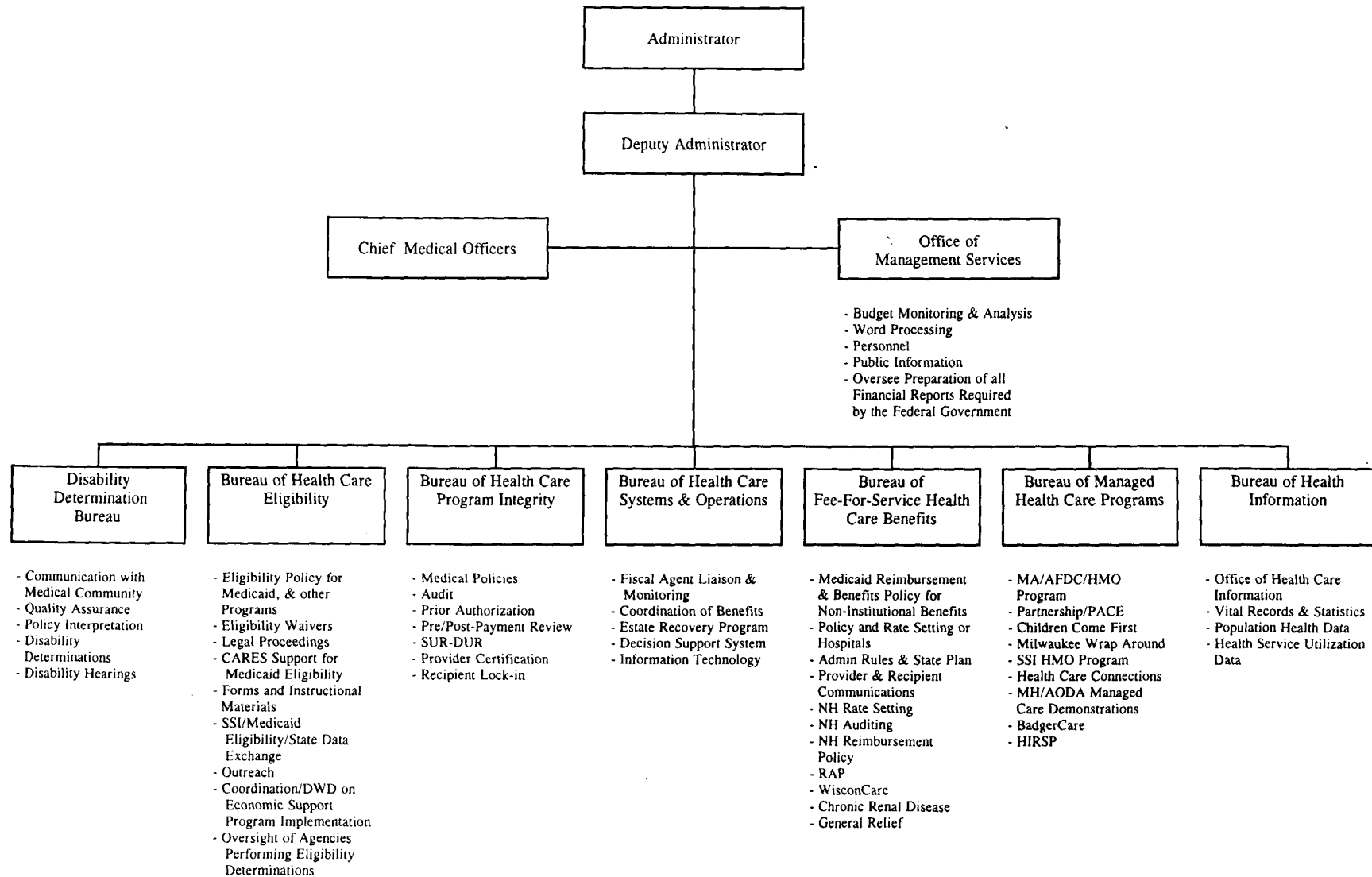
DATE

Approval Date 4-6-94Effective Date 1/1/94

TN: 94-003
Supersedes
TN: 81-0076

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING**

Attachment 1.2B
Page 1



TN #98-016
Supersedes
TN #96-021

DHCF3/SP

JAN 28 1999

Approval Date: _____

Effective Date 10-1-98

**DIVISION OF HEALTH CARE FINANCING
ORGANIZATION SUMMARY**

1. Introduction

The primary objective of the Division of Health Care Financing (DHCF) is to improve the health of Wisconsin's citizens who receive health care through State-administered health care programs. The DHCF purchases health care for value and results, using approaches employed and tested in the Wisconsin Medicaid program. The DHCF administers the Medicaid, BadgerCare, Health Insurance Risk Sharing Plan (HIRSP), Chronic Renal Disease, General Relief-Medical and Wisconcare programs. The DHCF will need to achieve the following for all health care programs in the DHCF:

- Purchase for defined cost and quality;
- Align fiscal and programmatic incentives to achieve desired results;
- Define quality, measure quality and work to improve quality; and
- Exert market leadership in health care purchasing.

The Division Administrator's Office includes the Chief Medical Officers and the Office of Management Services. These entities are responsible for the clinical and administrative management of the State's largest health insurance program

• **Chief Medical Officers**

The Chief Medical Officers provide leadership and participate in the management decisions or medical and scientific health care information and program policies, including liaison with the medical profession and other providers.

• **Office of Management Services**

The Office of Management Services provides Division-wide organization, coordination, and oversight of information technology, human resources, fiscal and accounting functions for administrative and contract costs, open records, space and telecommunications, forms, printing, and publications and secretarial support.

2. Key Features of the Organization

The DHCF is organized to support all health care programs for optimal operation. The organizational structure coordinates key functions needed to support programs. This organization includes the following Bureaus:

- Disability Determination Bureau
- Bureau of Health Care Eligibility
- Bureau of Health Care Program Integrity

TN #98-016

Supersedes

TN #94-008

Approved JAN 28 1999

Effective 10-1-98

CH03058.AM/SP

- Bureau of Health Care Systems and Operations
- Bureau of Fee-for-Service Health Care Benefits
- Bureau of Managed Health Care Programs
- Bureau of Health Information

DISABILITY DETERMINATION BUREAU

The Disability Determination Bureau is a federally funded, state administered program that makes determinations for disability benefits for the Social Security Administration and for the state Medical Assistance program. The primary mission of the Bureau is to make accurate and timely disability decisions regarding eligibility for Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI) and Medical Assistance (Medicaid) for residents of Wisconsin. Applications for SSDI and SSI are filed at the twenty-seven (27) federal Social Security Administration District Offices in Wisconsin and represent 95% of the Bureau's workload. Applications for Medicaid disability coverage are filed with the counties. The Bureau is funded by the federal Social Security Administration and operates under the program policies outlined in the Code of Federal Regulations. The Medicaid program reimburses Social Security Administration for Medicaid determinations made by the Bureau.

BUREAU OF HEALTH CARE ELIGIBILITY

The Bureau of Health Care Eligibility develops and implements eligibility policy, program implementation and outreach. Eligibility policy is complex and based on multiple and interrelated provisions of the Social Security Act, federal regulations, state laws and administrative rules, legal interpretations through hearings and court orders, and on waivers of these requirements. The Bureau is responsible for eligibility policy for the Division's health care programs, including Medicaid and BadgerCare. Policy is implemented through three computer systems: the CARES system, operated by the Department of Workforce Development (DWD); the Medicaid Management Information System (MMIS); and the State Data Exchange with the Social Security Administration, which provides information for making Medicaid eligibility determinations for SSI recipients and their families.

The eligibility policies administered by the Bureau directly affect about 500,000 Wisconsin citizens, representing 10% of the State's population.

The State contracts with county and tribal agencies for the administration of eligibility determination functions under the oversight of Bureau staff. The overall budget for Medicaid eligibility determination functions exceeds \$60 million annually for state, county and other contractual services.

This Bureau is also responsible for managing comprehensive outreach initiatives to assure that Wisconsin's citizens are aware of programs that offer health care coverage for low-income families.

The Bureau is composed of two sections: Policy and Systems Development and Program Implementation.

TN #98-016

Supersedes

TN #94-008

JAN 28 1999

Approved _____

Effective 10-1-98

CH03058.AM/SP

1. Policy and Systems Development Section

This Section analyzes state and federal law, and legal proceedings and policy instructions from the federal Health Care Financing Administration to formulate policy alternatives to recommend to the Administrator. The Section drafts proposed legislation, administrative rules, policy manuals and handbooks. It develops other supporting material such as training materials, fact sheets, letters and memoranda. The Section translates eligibility policy into operation in automated systems, by developing specifications, and working with programming staff to assure understanding and proper implementation of policy; by coordinating systems changes with other economic support program systems changes; by conducting user acceptance testing; and by preparing communications describing the systems changes. The Section manages eligibility policy for both family-based coverage and for the elderly and disabled.

This Section also manages an outreach program to assure that eligible Wisconsin residents are enrolled in health care programs that will improve their health. Section staff oversee all statewide public information and media initiatives and manage support for regional and local outreach initiatives.

2. Program Implementation Section

This Section supports and monitors all eligibility determination programs. This includes automated systems such as CARES, the administration of economic support policies and procedures as performed by county and tribal agencies, and implementation functions such as technical manuals, forms and instructional materials, quality control functions, and data analysis. This Section coordinates with the Department of Workforce Development, which manages the CARES system and the other economic support programs, with the fiscal agent for the Medicaid program, and with other DHFS staff who utilize the Medicaid eligibility determinations made in the CARES system to support child welfare and long term care programs. The Section convenes and staffs work groups, advisory groups and committees representing county and tribal agencies and other governmental and community-based agencies to obtain advice and comment on proposed policies and procedures, and to assure proper training of users. This Section also develops and monitors MOUs with these other agencies to define respective responsibilities in regard to program implementation and performance monitoring.

BUREAU OF HEALTH CARE PROGRAM INTEGRITY

This Bureau includes the Dental Consultant, Quality Improvement Nurse Consultants, administrative support services staff and data support staff. The Bureau also coordinates the activities of the Program Integrity Committee, Quality Improvement team and has oversight of the Independent Peer Review Contract.

TN #98-016
Supersedes
TN #94-008

Approved JAN 28 1999

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CH03058.AM/SP

1. **Quality Assurance and Appropriateness Review Section**

This Section houses the clinical and support staff related to the Prior Authorization and clinical review functions, develops prior authorization guidelines and oversees the prior authorization adjudication process. Staff also assist in developing quality assurance standards for managed care programs and for conducting quality assurance audits and reviews of both managed care and fee-for-service programs.

2. **Program Audit and Review Section**

This Section houses program compliance audit staff. These staff assist the Medical Audit and Review Staff in planning and conducting on-site audits of Wisconsin Medicaid providers, to ensure compliance with Medicaid policies and procedures. This function is accomplished through on-site audits, desk reviews, validation surveys, and provider self audits. The goals of this effort are to identify areas of non-compliance and recover overpayments and to provide education, consultation and assistance to providers.

3. **Medical Audit and Review Section**

This Section houses the clinical staff directly related to the audit function. This Section assists the Program Audit and Review Section staff in developing and conducting on-site audits and reviews of providers. This Section also educates providers about Medicaid requirements through participation in training programs and through consultations with providers and provider groups. This Section also responds to complaints regarding services provided to Wisconsin Medicaid recipients.

BUREAU OF HEALTH CARE SYSTEMS AND OPERATIONS

This Bureau is responsible for implementing, operating and monitoring systems, procedures, reports and contracts necessary to support the administrative requirements and activities of Division of Health Care Financing (DHCF) programs. This Bureau also operates several programs to identify and recover payments through coordination of benefits, estate recovery and drug rebate.

1. **Systems and Reporting Section**

This Section directs the procurement, implementation, enhancement and monitoring of the Medicaid Management Information System (MMIS), Medicaid Evaluation and Decision Support System (MEDS) and other systems, procedures and reports provided by the Fiscal Agent contractor and other contractors. It analyzes DHCF business processes and functions and develops requirements and specifications for enhancements and changes to Medicaid systems, procedures and reports. This includes liaison and coordination of DHFS system interfaces with other state and federal systems and data exchanges including the state's eligibility system CARES. This Section also monitors the fiscal agent contract,

TN #98-016
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CH03058.AM/SP